Free product, pay for service model

FINANCIAL MODELING

LECTURE SUMMARY

Covered in this lecture:

How the free product, pay for service model works

- **How it works: You give the product for free, then you charge people for using it**
- You will have startup costs in order to make the product and distribute it
- Only a percentage of the people who receive the product will end up paying to use it
- It will take a while until you start making profit and recover the startup costs

See you next lecture!